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LUTHER SPEIGHT & COMPANY, LLC

Certified Public Accountants and Consultants

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2014

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date FEB 25 2015

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
 <u>Financial Statements</u>	
Statement of Financial Position – Year Ended June 30, 2014	3
Statement of Activities and Change in Net Position – Year Ended June 30, 2014	4
Statement of Cash Flows – Year Ended June 30, 2014	5
 <u>Notes to the Financial Statements</u>	
	6-10
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in accordance with <i>Government Auditing Standards</i>	11-12
<u>Schedule of Findings and Responses</u>	13-25
<u>Status of Prior Findings</u>	26



LUTHER SPEIGHT & COMPANY
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Coroner of the Parish of Orleans
City of New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Supplemental Fund of the Coroner for the Parish of Orleans, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion

The general ledger assets included accounts titled "undeposited funds" and "petty cash recorded at \$9,675 and \$3,744, respectively. These funds were not reconciled and did not have adequate support to determine the nature of the transactions or if the balance represented actual cash on hand. We were unable to form an opinion regarding the fairness of these balances through alternative procedures.

Management did not properly record supplemental compensation to employees. The compensation payments were recorded at net pay amounts on the general ledger totaling \$98,225. The taxes paid were recorded in a separate general ledger account totaling \$17,433 but not reconciled as a complete payroll distribution. Accordingly we were unable to determine if the supplemental compensation and the related taxes recorded on the statement of activities were fairly stated.

Qualified Opinion

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Supplemental Fund of the Coroner for the Parish of Orleans, as of June 30, 2014, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Supplemental Fund of the Coroner and do not purport to, and do not, present fairly the financial position of the Coroner for the Parish of Orleans, as of June 30, 2014, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2014 on our consideration of the Coroner's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Coroner's internal control over financial reporting and compliance.



Luther Speight & Company

New Orleans, Louisiana

December 30, 2014

Orleans Parish Coroner's Office
New Orleans, Louisiana
Statement of Financial Position
As of June 30, 2014

Assets

Cash and Cash Equivalents	\$ 4,401
Undeposited Funds	9,675
Petty Cash	3,744
Accounts Receivable	43,345
Other Assets	138
Total Assets	<u><u>61,303</u></u>

Liabilities and Net Position

Liabilities:

Accounts Payable	5,806
Credit Card	2,714
Total Liabilities	<u><u>8,520</u></u>

Net Position

Unrestricted	52,783
Total Net Position	<u><u>52,783</u></u>
Total Liabilities and Net Position	<u><u>\$ 61,303</u></u>

See Accompanying Notes to the Financial Statements.

Orleans Parish Coroner's Office
 New Orleans, Louisiana
 Statement of Activities and Change in Net Position
 For the Year Ended June 30, 2014

Fees for Services	
Autopsy Reports	\$ 26,480
Autopsy and Toxicology Reports - Out of Parish	173,350
Cremation Reports	33,120
Pouches	25,580
Storage	26,250
Transporting Fees	5,540
Burial	1,000
Other Services Provided	792
DNA Reports	1,350
Miscellaneous Revenue	13,434
Total Fees For Services	<u>306,896</u>
Expenditures	
Supplemental Compensation	98,225
Payroll Taxes	17,433
Supplies	75,018
Professional Fees	70,066
Bad Debt	19,915
Communication	13,913
Repairs and Maintenance	9,069
Computer and Data Processing	8,235
General Insurance	5,385
Printing and Reproduction	4,763
Gasoline	4,748
Uniforms	3,574
Meals and Entertainment	1,700
Bank Service Charges	1,400
Travel, Conference and Convention	1,361
Miscellaneous	6,793
Total Expenditures	<u>341,598</u>
Change in Net Position	<u>(34,702)</u>
Net Position, Beginning of Period	<u>87,485</u>
Net Position End of Period	<u>\$ 52,783</u>

See Accompanying Notes to the Financial Statements.

Orleans Parish Coroner's Office
 New Orleans, Louisiana
 Statement of Cash Flows
 For the Year Ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets \$ (34,702)

Adjustments to reconcile changes in net assets
 to net cash provided in operating activities:

Decrease in Accounts Receivables	35,973
Increase in Other Current Assets	(1,048)
Increase in Accounts Payable	38
Increase in Credit Card	39
Net Cash Provided by/Used In Operating Activities	<u>300</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Net Cash Provided/Used By Investing Activities -

CASH FLOWS FROM FINANCING ACTIVITIES:

Net Cash Provided/Used By Financing Activities -

Net Decrease in Cash and Cash Equivalents 300

Beginning Cash and Cash Equivalents 17,520

Ending Cash and Cash Equivalents \$ 17,820

See Accompanying Notes to the Financial Statements.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Formation and Operation - The authority for the Orleans Parish Coroner's Office (the Coroner's Office) is provided under Article V, Section 29 of the Louisiana Constitution of 1974.

The Coroner's Office determines the manner and cause of death. The Coroner's Office performs autopsies and issues death certificates. It also evaluates the mentally ill and the chemically dependent and determines the appropriate action for those persons.

During the audit period, a change in administration occurred as Dr. Jeffrey Rouse was sworn in as the new Coroner on May 5, 2014.

Reporting Entity

The Orleans Parish Coroner is an independently elected parish official to serve a four year term. As such, the Coroner is solely responsible for the operations of his office, and accordingly, is a separate governmental entity. The accompanying financial statements represent the financial activity of the supplemental fund of the Coroner's Office. The financial activities included self generated revenues and related disbursements solely from this fund. Accordingly, these financial statements do not report to present financial position, results of operation, and cash flows for the Coroner's Office as a whole.

Basis of Presentation- The accompanying statements of financial position of the maintained by the Orleans Parish Coroner's Office have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

ORLEANS PARISH CORONER'S OFFICE
 NEW ORLEANS, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 1- Continued,

Basis of Accounting- The Coroner's Office uses the accrual basis of accounting to report on its financial position and statement of activities. As such revenues are recorded when earned and measurable and expenditures are recorded when due and payable.

Supplemental Fund - The supplemental fund accounts for the financial activities related to services performed by the Coroner's office on behalf of parishes other than Orleans. Services performed on behalf of Orleans Parish are accounted for in the basic financial statements of the Coroner's office and are not a part of these financial statements.

Capital Assets - Capital assets are recorded as expenditures in the Supplemental Fund at the time of purchase and the related assets are capitalized. All purchased capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets, if any, are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materiality extend asset lives are not capitalized. Assets over \$500 are capitalized.

Depreciation is computed using the straight-line method over the following estimated lives:

Asset Class	Estimated Useful Lives
Building and improvements	5 - 40 years
Vehicles	5 years
Furniture and equipment	3 - 10 years

Cash and Cash Equivalents- Cash includes amounts in demand deposits, interest-bearing deposits, and time deposits. Under state law, the Coroner's Office may deposit funds in demand deposits, interest-bearing demand deposits, money-market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Cash and cash equivalents include all highly liquid investments.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - Continued

Accounts Receivable - Receivables are comprised of payments to be received at a later date for services utilized by customers and other parishes. When revenue is earned, the appropriate receivable is recorded. When payments are received the receivable is reduced.

Net Position - The Coroner's Office follows the provisions of Governmental Accounting Standards Board for State and Local Governments which established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position, a statement of activities, and changes in net position, and a statement of cash flows. It requires the classification of net position into three components - Restricted, Temporarily Restricted and Unrestricted.

Restricted - This component consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Coroner to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Temporarily Restricted - Temporarily restricted net assets include realized gains and losses, investment income and gifts and contributions for which donor-imposed restrictions have not been met.

Unrestricted - This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund.

As a result of activity through June 30, 2014, there is no balance in restricted or temporarily restricted net position.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 – ACCOUNTS RECEIVABLE

Accounts Receivable at June 30, 2014 was comprised of the following:

	Amount
Out of Parish Autopsy & Toxicology Reports	\$ 25,350
Out of Parish Doctor Fees	2,000
Pouch	4,020
Storage	3,650
Transportation	8,325
Total Accounts Receivable	<u>\$ 43,345</u>

NOTE 3 – UNDEPOSITED FUNDS

Undeposited funds are payments for services that have been received, but not yet reconciled or recorded to a specific account in the general ledger. The balance in undeposited funds at June 30, 2014 was \$9,675.

NOTE 4 – BAD DEBT

The Coroner's Office uses the direct write off method to recognize uncollectible accounts receivables. In the direct write-off method, uncollectible accounts receivable are directly written off against income at the time when they are actually determined as bad debts. Direct write-off method does not use any allowance or reserve account. The bad debt expense for the period ended June 30, 2014 is \$19,915.

NOTE 5 – PUBLIC SUPPORT AND REVENUES

The Coroner's Office support and revenues are earned as the office performs public safety services to citizens of Orleans Parish and other parishes. The Coroner's Office charges fees for service for the following services: autopsy reports, toxicology reports, DNA reports, transportation, storage, and burials. Total public support and revenues for the period ended June 30, 2014 are \$306,896.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6 – SUPPLEMENTAL COMPENSATION

The Coroner's Office disbursed payments to employees for services performed on behalf of parishes other than Orleans Parish. Total supplemental compensation for the period ended June 30, 2014 was recorded at \$98,225.

NOTE 7 – PAYROLL TAXES

During 2013 it was determined that the supplemental compensation should be subject to payroll tax withholdings. However the payroll register distributions were not reconciled to the general ledger or financial statements. Payments to the Internal Revenue Service and State agencies totaling \$17,433 were remitted and recorded as payroll tax expense however we could not determine if these amounts represented the proper amounts due to inconsistencies in the general ledger postings.

NOTE 8 – FACILITIES, FURNITURE, FIXTURES AND EQUIPMENT OWNED BY OTHER ENTITIES

The facilities, furniture, fixtures and equipment along with the office space occupied by the Coroner's Office for the Parish of Orleans is owned by the City of New Orleans, which is statutorily required to provide office space for the Coroner.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 30, 2014, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



LUTHER SPEIGHT & COMPANY
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Dr. Jeffrey Rouse
Coroner for the Parish of Orleans

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the supplemental fund of the Coroner for the Parish of Orleans (the Coroner), as of and for the year ended June 30, 2014, and the related notes to the financial statements and have issued our report thereon dated December 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Coroner's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Coroner's internal control. Accordingly, we do not express an opinion on the effectiveness of the Coroner's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. During our audit we did not identify any deficiencies in internal control that we consider to be significant deficiencies, however, significant deficiencies may exist that have not been identified. As described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses, listed in findings No. 2014-01 through 2014-07.

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Baton Rouge Office: 2900 Westfork Drive, Suite 401/Baton Rouge, LA 70827/ (225)275-9100

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Coroner's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2014-04 through 2014-06.

Coroner for the Parish of Orleans' Response to Findings

The Coroner's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Coroner's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Luther Speight & Company CPAs

New Orleans, Louisiana

December 30, 2014

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA

SCHEDULE OF FINDINGS

JUNE 30, 2014

Section I – Summary of Auditor's Results

Financial Statements

A qualified opinion was issued on the financial statements of the auditee.

Internal Control Over Financial Reporting:

Material weaknesses identified? X yes no

Significant deficiencies identified
not considered to be material weaknesses? yes X no

Noncompliance material to financial statements noted? yes X no

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2014

FINDING #2014-01: PAYROLL PROCESSING INTERNAL CONTROL PROCEDURES
NOT ADEQUATE

CONDITION:

The Coroner's Office processed payroll for twenty-two (22) employees during the fiscal year ended June 30, 2014. During our examination of internal controls over payroll processing and transactions we noted the following deficiencies:

1. The Coroner's Office did not have an adequate documented accounting policy and procedure manual to cover requirements and management's expectations for payroll processing procedures.
2. Employee personnel files were not available and maintained in the Coroner's Office for the employees on payroll.
3. Employee timesheets were not used by Coroner's Office employees receiving payroll disbursements. Rates of pay were not documented and available for examination in support of disbursements.
4. The Coroner's Office did not record payroll expenses based upon gross pay with deductions reflected but rather payroll expenses were recorded to the general ledger based upon net pay only.
5. Year-end bonuses were paid totaling \$3,675, which included a payment to one (1) employee for \$1,500.

CAUSE:

Internal controls over payroll processing were not properly established, implemented and maintained at the Coroner's Office.

EFFECT:

We were unable to determine if the payroll disbursements were proper, accurate and eligible for disbursement from the funds available from the Coroner's Office.

CRITERIA:

Best Practices in Government as set forth by the Louisiana Legislative Auditor require adequate internal controls to be established and implemented regarding the expenditure of payroll expenses by governmental entities.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2014

2014-01 Continued,

RECOMMENDATION:

We recommend that the Coroner's Office revise and enhance its internal control procedures over payroll processing to include the following:

1. Develop and implement an accounting policy and procedure manual to include payroll processing procedures.
2. Personnel files should be complete, available for audit and maintained on file at the Coroner's Office.
3. Employee timesheets should be required to be prepared for all personnel receiving payroll disbursements. Timesheets should reflect employee signatures and applicable supervisory approval signatures. Rates of pay should be documented and available for review.
4. Accounting procedures for recording payroll expenses should be based upon gross pay with payroll deductions reflected.
5. Year-end bonuses to employees should be discontinued from the supplemental account.

MANAGEMENT'S RESPONSE:

As the first new coroner in Orleans Parish in 40 years, I am committed not only to the highest standards in our medical investigations but also in our business practices as stewards of the public's money. It is to be noted that the vast majority of the time frame covered in this audit occurred under my predecessor's administration. Upon taking office on May 5th 2014, it was clear that there were was an extensive list of business practices to be updated. I conducted and am implementing a top to bottom update of the management practices at the Orleans Parish Coroner's Office. Many deficiencies have already been identified and corrected prior to the issuance of this audit. I welcome the recommendations of our new auditing firm as its recommendations are perfectly in line with my vision for the Orleans Parish Coroner's Office.

Many of the inherited issues concern the use of supplemental pay for employees in addition to their pay from the City of New Orleans. By the end of this quarter, this practice of supplemental pay will have been phased out completely so that all employee pay will be reflected in the City of New Orleans payroll system. We are in the process of developing a comprehensive policy and procedure manual for the office and will include payroll processing procedures in accordance with the City of New Orleans payroll system.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2014

2014-01 Management Response Continued.

With regard to personnel files and time sheets, we do maintain personnel files at the Coroner's office, but in the future we will be sure to have complete personnel files maintained at the Coroner's Office with all the information contained in the personnel files maintained at the City of New Orleans. Shortly after taking office, I required employees to both submit time sheets with signatures and required supervisors to approve these time sheets. With regard to specific accounting procedure for payroll expenses, moving forward we shall adopt the auditor's recommendation, knowing that this practice of supplemental pay is being phased out. Finally, with regard to year-end bonuses, this practice has ceased under my administration, and our forthcoming audit for next year will reflect that there were no year-end bonuses provided at the end of calendar year 2014.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2014

FINDING #2014-02: CASH INTERNAL CONTROL PROCEDURES NOT ADEQUATE

CONDITION:

Cash receipts are not deposited to the Coroner's bank account on a timely basis. Our examination indicated that deposits are frequently accumulated at the office and deposits made on a weekly basis. In addition, the cash receipt procedures did not provide for adequate segregation of duties.

CAUSE:

The Coroner's office did not have an adequate system of internal controls in place.

EFFECT:

The procedures in effect did not provide adequate assurance that cash receipts were deposited in the Coroner's account and on a timely basis.

CRITERIA:

Best Practices in Government requires adequate safeguarding of assets by the governmental agency. Timely deposit of cash receipts is in keeping with this standard.

RECOMMENDATION:

We recommend that the Coroner's Office reconcile and deposit cash receipts on a daily basis.

MANAGEMENT'S RESPONSE:

As the first new coroner in Orleans Parish in 40 years, I am committed not only to the highest standards in our medical investigations but also in our business practices as stewards of the public's money. It is to be noted that the vast majority of the time frame covered in this audit occurred under my predecessor's administration. Upon taking office on May 5th 2014, it was clear that there were an extensive list of business practices to be updated. I conducted and am implementing a top to bottom update of the management practices at the Orleans Parish Coroner's Office. Many deficiencies have already been identified and corrected prior to the issuance of this audit. I welcome the recommendations of our new auditing firm as its recommendations are perfectly in line with my vision for the Orleans Parish Coroner's Office.

After taking office, I recognized that accepting cash as payment was fraught with many problems. I ceased the acceptance of cash as a form of payment here prior to the conduction of this audit.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2014

FINDING #2014-03: CHECK DISBURSEMENT INTERNAL CONTROL PROCEDURES
NOT ADEQUATE

CONDITION:

Our examination of check disbursements indicated that disbursements did not have adequate documented evidence of management review and authorization. Purchase orders or check requisitions were not used and the vendor invoices did not have evidence of review and approval. We examined a selection of forty-one (41) check disbursements and noted that the primary check signor did not have a clearly defined role in the internal control structure. Accordingly, we were unable to determine if adequate segregation of duties existed.

CAUSE:

The Coroner's Office did not have an adequate system of internal controls in effect.

EFFECT:

Segregation of duties and other internal controls over expenditures were not adequate to mitigate the risks associated with the disbursement of Coroner's Office Funds.

CRITERIA:

Best Practices in Government require that adequate segregation of duties be maintained where practicable. Disbursements should be accompanied by source documents including purchase orders, check requisitions, contracts, etc.

RECOMMENDATION:

We recommend that the Coroner's Office implement comprehensive internal control policies and procedures to adequately control the disbursement of Coroner's Office Funds.

MANAGEMENT'S RESPONSE:

As the first new coroner in Orleans Parish in 40 years, I am committed not only to the highest standards in our medical investigations but also in our business practices as stewards of the public's money. It is to be noted that the vast majority of the time frame covered in this audit occurred under my predecessor's administration. Upon taking office on May 5th 2014, it was clear that there were was an extensive list of business practices to be updated. I conducted and am implementing a top to bottom update of the management practices at the Orleans Parish Coroner's Office. Many deficiencies have already been identified and corrected prior to the issuance of this audit. I welcome the recommendations of our new auditing firm as its recommendations are perfectly in line with my vision for the Orleans Parish Coroner's Office.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2014

2014-03 Management's Response Continued,

I agree with the findings of the auditor in regard to internal control procedures. In conjunction with our new business manager and new accounting firm, I shall continue to implement best practices in internal control procedures, including the use of purchase orders and multiple approvers for purchases.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2014

FINDING #2014-04: CREDIT CARD OVERSIGHT INTERNAL CONTROL PROCEDURES
NOT ADEQUATE

CONDITION:

The Coroner's Office issued a business credit card to a former employee however adequate internal controls over the use of the card, including prior approvals and restrictions to business use only were not documented and in effect. We examined a selection of credit card expenses and did not note instances of personal use or other noncompliance.

CAUSE:

A system of adequate internal controls were not implemented.

EFFECT:

Procedures in effect related to credit card use did not reduce the risk of fraud and/or abuse.

CRITERIA:

Best Practices in Government require that specific policies and procedures be established and implemented regarding the issuance and use of credit cards by the governmental agency.

RECOMMENDATION:

We recommend that the Coroner's Office establish detailed internal control procedures related to the use of the business credit card.

MANAGEMENT'S RESPONSE:

As the first new coroner in Orleans Parish in 40 years, I am committed not only to the highest standards in our medical investigations but also in our business practices as stewards of the public's money. It is to be noted that the vast majority of the time frame covered in this audit occurred under my predecessor's administration. Upon taking office on May 5th 2014, it was clear that there were was an extensive list of business practices to be updated. I conducted and am implementing a top to bottom update of the management practices at the Orleans Parish Coroner's Office. Many deficiencies have already been identified and corrected prior to the issuance of this audit. I welcome the recommendations of our new auditing firm as its recommendations are perfectly in line with my vision for the Orleans Parish Coroner's Office.

Under my administration, the Coroner's Office ceased the use of this credit card prior to the conduction of this audit.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2014

FINDING #2014-05: IMPROPER BANK ACCOUNT TITLE

CONDITION:

The Coroner's Office Supplemental Fund used checks titled "State Treasury - Special Account" printed as the header on the checks. Our examination showed that the Coroner's supplementary fund accounted for self-generated funds by the Coroner's Office and was not an account under the control of the State of Louisiana treasury.

CAUSE:

We were unable to determine the cause for this condition.

EFFECT:

The supplemental fund checks present the appearance that the disbursements are on behalf of the State Treasury of Louisiana.

CRITERIA:

Only bank accounts under the oversight and control of the Louisiana State Treasurer's Office should be labeled as such.

RECOMMENDATION:

We recommend that the Coroner's Office obtain clarification as to the proper check stock to be used by the supplemental fund and obtain new checks to be used consistent with that research and determination.

MANAGEMENT'S RESPONSE:

As the first new coroner in Orleans Parish in 40 years, I am committed not only to the highest standards in our medical investigations but also in our business practices as stewards of the public's money. It is to be noted that the vast majority of the time frame covered in this audit occurred under my predecessor's administration. Upon taking office on May 5th 2014, it was clear that there were was an extensive list of business practices to be updated. I conducted and am implementing a top to bottom update of the management practices at the Orleans Parish Coroner's Office. Many deficiencies have already been identified and corrected prior to the issuance of this audit. I welcome the recommendations of our new auditing firm as its recommendations are perfectly in line with my vision for the Orleans Parish Coroner's Office. I agree with the auditor and shall correct in conjunction with our account representative at the bank.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2014

FINDING #2014-06: CHECK DISBURSEMENTS FOR SERVICES WITHOUT PROPER SUPPORT

CONDITION:

The Coroner's Office supplementary fund processed check disbursements for professional service contracts such as bookkeeping and data processing. We examined 41 disbursements and noted that 6 did not have invoices or contracts. No support for the services provided was received or maintained by the Coroner's Office.

CAUSE:

The Coroner's Office did not have an adequate file maintenance system requiring invoices and contracts to be on file to support vendor payments. We identified numerous payments the Coroner's Office made to professional service vendors without an invoice.

EFFECT:

Certain disbursements did not have sufficient documentation for services provided.

CRITERIA:

Best Practices in Government require that adequate source documentation be maintained in support for all expenditure of funds by a governmental agency.

RECOMMENDATION:

We recommend that all check disbursements be supported by invoices and contracts where applicable.

MANAGEMENT'S RESPONSE:

As the first new coroner in Orleans Parish in 40 years, I am committed not only to the highest standards in our medical investigations but also in our business practices as stewards of the public's money. It is to be noted that the vast majority of the time frame covered in this audit occurred under my predecessor's administration. Upon taking office on May 5th 2014, it was clear that there was an extensive list of business practices to be updated. I conducted and am implementing a top to bottom update of the management practices at the Orleans Parish Coroner's Office. Many deficiencies have already been identified and corrected prior to the issuance of this audit. I welcome the recommendations of our new auditing firm as its recommendations are perfectly in line with my vision for the Orleans Parish Coroner's Office.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2014

2014-06 Management's Response Continued.

I both agree with and will continue to provide appropriate invoices and contracts to support check disbursements. Since I have taken office I have established this as policy and have implemented contracts where there was none.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2014

FINDING #2014-07: PETTY CASH PROCEDURES NOT ADEQUATE

CONDITION:

The Coroner's Office did not have adequate procedures regarding the receipts and disbursements from the petty cash fund. Our examination indicated that funding of the petty cash account was made via check disbursements to various employees and was not centralized. Receipts appeared to be maintained and recorded in the general ledger but there were no reconciliation or reimbursement procedures in effect. Additionally the balance per the general ledger for the petty cash fund reflected \$3,744 as of June 30, 2014. There was no documentation reflecting the actual balance in the account as of fiscal year-end.

CAUSE:

The Coroner's Office did not have an adequate system of internal controls in effect.

EFFECT:

Procedures and internal controls over the petty cash fund were not adequate to safeguard the assets of the Office.

CRITERIA:

Best Practices in Government require policies and procedures be implemented for the safeguarding and monthly reconciliation of all cash accounts on hand by government agencies.

RECOMMENDATION:

We recommend that the Coroner implement a comprehensive petty cash policy that requires monthly reconciliation and assigns custody of the fund and reimbursements to an appropriate level personnel. Segregation of duties should be considered in the development of these procedures.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2014

2014-07 Continued.

MANAGEMENT'S RESPONSE:

As the first new coroner in Orleans Parish in 40 years, I am committed not only to the highest standards in our medical investigations but also in our business practices as stewards of the public's money. It is to be noted that the vast majority of the time frame covered in this audit occurred under my predecessor's administration. Upon taking office on May 5th 2014, it was clear that there were was an extensive list of business practices to be updated. I conducted and am implementing a top to bottom update of the management practices at the Orleans Parish Coroner's Office. Many deficiencies have already been identified and corrected prior to the issuance of this audit. I welcome the recommendations of our new auditing firm as its recommendations are perfectly in line with my vision for the Orleans Parish Coroner's Office.

Upon taking office it was clear to me, even before the findings of this audit, that the use of petty cash could be a source of many accounting problems. The practice of maintaining petty cash was eliminated prior to the conduct of this audit.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
SCHEDULE OF PRIOR YEAR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

<u>Finding No.</u>	<u>Description of Finding</u>	<u>Resolved / Unresolved</u>
1.1	The Orleans Parish Coroner did not complete and submit its financial report in a timely manner to the Legislative auditor.	X
1.2	The Orleans Parish Coroner did not amend the Budget to comply with the state budgeting Requirements of the Local Government Budget Act (LSA-RS 39:1301-14).	X